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December 15, 2020

**VIA ELECTRONIC FILING**

Ms. Jocelyn Boyd  
Chief Clerk and Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive, Suite 100  
Columbia, SC 29210

**Re: Docket No. 2020-7-G**

Dear Ms. Boyd:

Pursuant to Section 58-5-430 of the South Carolina Code of Laws (Natural Gas Rate Stabilization Act), enclosed please find the quarterly monitoring report for the twelve-month period ending September 30, 2020 for Piedmont Natural Gas Company, Inc.

Thank you for your assistance with this matter. If you have any questions regarding this filing, you may reach me at the number shown above.

Sincerely,

/s/ T. Richmond McPherson

T. Richmond McPherson

TRM/rkg

cc: ORS  
Bruce Barkley  
Pia Powers  
James H. Jeffries, IV

### **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a copy of the attached *Quarterly Monitoring Report of Piedmont Natural Gas Company, Inc.* is being served this date via email upon:

Jeffrey M. Nelson, Alexander W. Knowles, Christopher M. Huber  
Office of Regulatory Staff  
1401 Main Street  
Suite 900  
Columbia, South Carolina 29201  
jnelson@ors.sc.gov, aknowles@ors.sc.gov, chuber@ors.sc.gov

And that a copy of the attached *Quarterly Monitoring Report of Piedmont Natural Gas Company, Inc.* is being served this date via email or U.S. Mail upon:

Bruce Barkley  
Piedmont Natural Gas Company, Inc.  
P.O. Box 33068  
Charlotte, North Carolina 28233  
bruce.barkley@piedmontng.com

Pia Powers  
Piedmont Natural Gas Company, Inc.  
P.O. Box 33068  
Charlotte, North Carolina 28233  
pia.powers@piedmontng.com

and

Roger P. Hall  
Assistant Consumer Advocate  
South Carolina Department of Consumer Affairs  
P.O. Box 5757  
Columbia, SC 29250  
rhall@scconsumer.gov

This the 15th day of December, 2020.

/s/ Richard K. Goley  
Richard K. Goley

Piedmont Natural Gas Company, Inc.  
Net Operating Income and Rate of Return  
For The Twelve Months Ended September 30, 2020  
South Carolina  
Page 1 of 2

	(1)	(2)	(3)
	<u>Per Filing</u>	<u>Accounting And Pro Forma Adjustments</u>	<u>After Pro Forma Adjustments</u>
Operating Revenues			
Sale of Gas	\$ 140,787,495	\$ 4,003,353	\$ 144,790,848
Other Operating Revenues	347,912	-	347,912
Total Operating Revenue	<u>\$ 141,135,407</u>	<u>\$ 4,003,353</u>	<u>\$ 145,138,760</u>
Operating Expenses			
Cost of Gas	\$ 55,222,255	\$ (2,697,994)	\$ 52,524,261
Other Operation & Maintenance	34,047,142	(722,015)	33,325,127
Depreciation	15,974,885	2,436,704	18,411,589
General Taxes	1,286,690	6,512,181	7,798,871
State Income Taxes	729,761	509,888	1,239,649
Federal Income Taxes	3,332,098	734,268	4,066,366
Amort. of ITC	(2,346)	-	(2,346)
Total Operating Expenses	<u>\$ 110,590,485</u>	<u>\$ 6,773,032</u>	<u>\$ 117,363,517</u>
Net Operating Income	<u>\$ 30,544,922</u>	<u>\$ (2,769,678)</u>	<u>\$ 27,775,243</u>
Interest on Customer Deposits	(95,820)	-	(95,820)
Amortization of Debt Redemption Premium	-	-	-
AFUDC	445,052	-	445,052
Customer Growth	482,610	(43,761)	438,849
Net Operating Income For Return	<u>\$ 31,376,764</u>	<u>\$ (2,813,439)</u>	<u>\$ 28,563,325</u>
Original Cost Rate Base			
Plant in Service	\$ 723,956,651	\$ -	\$ 723,956,651
Accumulated Depreciation	(248,128,690)	-	(248,128,690)
Net Plant in Service	<u>\$ 475,827,961</u>	<u>\$ -</u>	<u>\$ 475,827,961</u>
Add:			
Construction Work in Progress	48,980,484	-	48,980,484
Materials and Supplies (Including Gas Inventory)	6,213,468	-	6,213,468
Cash Working Capital	(1,194,953)	(90,252)	(1,285,205)
Deduct:			
Customer Advances for Construction	-	-	-
Customer Deposits	2,656,885	-	2,656,885
Accumulated Deferred Income Taxes	95,773,251	-	95,773,251
Unclaimed Funds	23,085	-	23,085
Total Original Cost Rate Base	<u>\$ 431,373,739</u>	<u>\$ (90,252)</u>	<u>\$ 431,283,487</u>
Return on rate base	<u>7.27%</u>		<u>6.62%</u>

Piedmont Natural Gas Company, Inc.  
 Net Operating Income and Rate of Return  
 For The Twelve Months Ended September 30, 2020  
 South Carolina  
 Page 2 of 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	After Accounting and Proforma Adjustments								
	<u>Per Books Capitalization</u>	<u>Accounting and Pro Forma Adjustments</u>	<u>Adjusted Capitalization</u>	<u>Calculated Ratio %</u>	<u>Pro Forma Ratio %</u>	<u>Cost Net Investment</u>	<u>Embedded Cost %</u>	<u>Overall Cost Rate %</u>	<u>Net Operating Income</u>
1. Long-Term Debt	\$ 2,614,724,352	-	\$ 2,614,724,352	50.15%	47.00%	\$ 202,703,238	4.26%	2.00%	\$ 8,635,158
2. Common Equity	2,599,147,514	-	2,599,147,514	49.85%	53.00%	228,580,248	8.72%	4.62%	19,928,167
3. Total	<u>\$ 5,213,871,866</u>	<u>\$ -</u>	<u>\$ 5,213,871,866</u>	<u>100.00%</u>	<u>100.00%</u>	<u>\$ 431,283,486</u>		<u>6.62%</u>	<u>\$ 28,563,325</u>

## CERTIFICATION

I, Lynn J. Good, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Lynn J. Good  
Chairman, President and CEO



Date Signed

Subscribed and Sworn to before me this  
15<sup>th</sup> day of December, 2020.



Notary Public

My Commission Expires 11/16/22.



## CERTIFICATION

I, Steven K. Young, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

Steven K. Young  
 Steven K. Young  
 Executive Vice President and CFO

12/1/20  
 Date Signed

Subscribed and Sworn to before me this  
15<sup>th</sup> day of December, 2020.

Shirley E. Lurjian  
 Notary Public

My Commission Expires 11/16/22.

